



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

March 10, 2003

Lori Wrotenberg
Director
Oil Conservation Division

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210-2118
Attention: Robert Asher

AMENDED Administrative Order NSL-4834

Dear Mr. Asher:

Reference is made to the following: (i) your application filed with the New Mexico Oil Conservation Division ("Division") on February 13, 2003 (*application reference No. pMES0-306951268*) for an amendment to Administrative Order NSL-4834, dated January 29, 2003; and (ii) the Division's records in Santa Fe.

Division Administrative Order NSL-4834, authorized Yates Petroleum Corporation ("Yates") to drill its Rojo Stripe Bar Federal Well No. 1 (API No. 30-015-32602) at an unorthodox gas well location for the Chester formation within a standard 318.88-acre stand-up gas spacing unit comprising Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of Section 18, Township 20 South, Range 23 East, NMPM, Eddy County, New Mexico 460 feet from the South line and 635 feet from the West line (Lot 4/Unit M) of Section 18.

Your request to include the Morrow formation for gas production within the same 318.88-acre spacing unit has been duly filed under the provisions of Division Rules 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, and Division Rule 111.C (2).

By the authority granted me under the provisions of Division Rule 104.F (2), as revised, the above-described unorthodox wildcat gas well location in Morrow formation within this 318.88-acre unit comprising the W/2 equivalent of Section 18 is hereby approved.

Division Administrative Order NSL-4834 dated January 29, 2003 shall remain in full force and effect until further notice.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division – Artesia
U. S. Bureau of Land Management – Carlsbad
William F. Carr, Legal Counsel for Yates Petroleum Corporation – Santa Fe
File: NSL-4834